

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE BAYOU HEDGE FUND INVESTMENT  
LITIGATION

06 MD 1755 (CM)

THIS DOCUMENT RELATES TO:

TRAVIS CO. J.V.  
ROGER HILL, SR. and  
CHRISTOPHER HILL,

Plaintiffs,

7:06-CV-11328-CM

vs.

HENNESSEE GROUP LLC,  
ELIZABETH LEE HENNESSEE  
And CHARLES GRADANTE

Defendants.

Electronically Filed

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

Pursuant to 28 U.S.C. § 1746(2) (2004), I declare under penalty of perjury that the foregoing is true and correct:

1. My name is Charles Gradante. I am more than 18 years of age and understand the nature and obligation of an oath. I have personal knowledge of the facts and statements contained in this Declaration and each of them is true and correct. I am a Managing Principal of Hennessee Group, LLC.

2. I submit this Declaration in support of Hennessee Group, LLC (the "Hennessee Group"), Elizabeth Lee Hennessee and my Motion to stay this proceeding and compel arbitration of Plaintiff's claims.
3. On or about April 4, 2001, Plaintiff Roger Hill, Sr. and Hennessee Group entered into an Investment Advisory Agreement ("Agreement"). A copy of the Agreement entered into on behalf of Plaintiff is attached hereto as Exhibit A. I executed the Agreement on behalf of Hennessee Group.
4. During the relevant time period, Roger Hill, Sr. did not make individual investments in hedge funds. All of his hedge fund investments were made through Travis Co., J.V.
5. Travis Co. J.V. is an investment vehicle utilized by the Hill family members to make investments, including investments in hedge funds. Plaintiff Christopher Hill, the son of Roger Hill, Sr., is a limited partner of Travis Co., J.V., Ltd., one of two general partners of Plaintiff Travis Co. J.V.
6. Pursuant to the Agreement, Hennessee Group agreed to provide hedge fund advisory services to Roger Hill, Sr. "and all other entities, that may invest in hedge funds, for which Mr. Roger Hill is authorized under the terms of any applicable plan, trust, partnership agreement or other governing instrument and by any applicable law to retain Hennessee and to make investments in hedge funds." See Exhibit A. As mentioned above, one such entity is Plaintiff Travis Co. J.V.
7. After receiving consulting services pursuant to the Agreement, Roger Hill, Sr. indicated that his children, Christopher Hill and Bruce Hill, were also interested in receiving consulting services from Hennessee Group. Hennessee Group, Roger Hill, Sr., Christopher Hill and Bruce Hill all agreed that Christopher Hill and Bruce Hill would be included under the purview of the Agreement and bound by the terms and conditions contained therein. Throughout the relationship, Christopher Hill and Bruce Hill were provided consulting services pursuant to the Agreement.
8. Section XIV of the Agreement contains an arbitration clause which provides that:

Any disputes arising under this Agreement or, with respect to its interpretation, shall be submitted to arbitration before a panel of three arbitrators selected under the Rules of the American Arbitration Association and such arbitration shall be conducted in accordance with the commercial arbitration rules of said Association. Each of the parties shall be entitled to select one arbitrator; those two arbitrators shall select the third arbitrator. The ruling of said panel shall be binding in all respects and judgment thereon may be entered in any court having jurisdiction. Nothing

in this Agreement shall bind either party to submit any dispute to arbitration with respect to which such party is entitled to have litigated in a court of competent jurisdiction.

9. The Agreement also contains a choice of law provision, providing for the application of New York law. The choice of law provision appears in Section XIII of the Agreement and provides, in relevant part, that:

This Agreement will be governed by and construed in accordance with the laws of the State of New York without giving effect to any conflict or choice of law provisions of that State.

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated herein are true.

Executed on November 6, 2006

  
Charles Gradante